

MARKETING MATTERS

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New Produce Auction Offers Opportunity

By Bill Holleran

Now that tobacco buyout legislation has passed, many farmers are asking, what's next? For growers looking to diversify into other crops like vegetables, there are some emerging markets worth considering. One of those new markets is the Bath County Produce Auction.

Founded this year, the auction is recruiting both buyers and sellers for the 2005 season. In its inaugural season the auction was able to attract over 50 buyers from the surrounding area and has brought growers in from 10 counties. "This is a convenient outlet for small or large farmers to sell a wide variety of products at auction, and all counties are welcome to participate," said Bath County agriculture Extension agent Gary Hamilton. Hamilton works with Matt Ernst at the University of Kentucky to report auction market prices that are listed on UK's new crop opportunities Web site, <http://www.uky.edu/Ag/NewCrops/auctions.html>.

"Producers need to understand wholesale auction prices will be lower than retail prices in the supermarket, but producers should also consider the convenience of moving large volumes of produce quickly," said Hamilton. This is also a great opportunity for small- or large-scale retailers to buy fresh local Kentucky products in bulk without paying high transportation costs or dealing with brokers.

"The main things we stress to producers are: selling high-quality products; offering a large volume; and of-



The Bath County auction in progress.

fering a wide variety. These are the ingredients to attracting larger volume buyers, which is what we hope to do," said Omer Rogers. Rogers manages the auction while brother Bobby is the auctioneer.

"We are very optimistic about the market's expansion in 2005 that includes a new building with a certified kitchen that producers can use to prepare processed products," said Bobby's wife, Lisa.

This season growers sold tomatoes, melons, beans, squash, apples, mums, potatoes, peppers, sweet corn, gourds, pumpkins, fodder shocks, and straw bales.

Mike Downs, a local producer that sells at the auction, assists in distributing cardboard boxes and vegetable bins at-cost to producers. Produce is sold in bushels, pecks, and bins according to the type and variety of produce sold.

This year the auction opened at 10 a.m. on Mondays and Thursdays. The

facility is conveniently located at exit 123 off I-64, which is about 45 minutes east of Lexington and minutes from Morehead. The market will re-open in April next year and will start with flowers and bedding plants.

Two additional produce auctions in Kentucky are located at Fairview in Christian County and at Crab Orchard in Lincoln County. Customers don't need to be retailers to shop at auction markets; they just need to get a buyer's number before the sale.

Produce auctions are great places for families looking for bulk produce for home canning. Buying bulk items saves time spent shopping and saves money on groceries.

For rules and regulations about selling at the Bath County auction, contact Gary Hamilton at (606) 674-6121. For additional information about the Bath County auction, contact Omer Rogers at (606) 336-0236.

In This Issue

- **Produce Auction Offers Opportunity**
- **Goat Industry Growth Documented**
- **Animal ID is just around the corner**
- **More At-Cost Items Available Soon**
- **Directors Join Marketing Division**
- **2004 Dairy Summit**
- **Cost-Share Programs Continue**
- **Sweet Sorghum Shows Potential**

Kentucky Goat Industry Growth Documented

By Tess Caudill

For the past several years, folks have been referring to Kentucky's goat industry as the fastest growing segment of Kentucky livestock. It's difficult to ignore the fact that meat goats are becoming a common sight grazing and browsing the hills and valleys across the state. Until very recently, however, the actual growth of this industry could only be estimated with no hard numbers to back these claims. This changed in early June when the 2002 Census of Agriculture data was released to the public.

While Kentucky's overall meat goat numbers were lower than many had hoped (we landed fifth in the U.S.), the results show an impressive 373 percent increase in meat goat numbers from 1997 to 2002, from 13,037 to 61,618 head. Even more impressive was the increase in the number of meat goats marketed, from 5,260 in 1997 to 42,923 in 2002, a 716 percent increase that placed Kentucky third in the U.S. in this category. This is quite an impressive feat for a state with virtually no marketing infrastructure for meat goats just a few short years ago. Keep in mind, these census numbers were recorded as of Dec. 31, 2002.

Since that time, our industry has grown bigger and better, and it's likely that today's numbers would be even more impressive.

Like Kentucky, the meat goat industry throughout the U.S. has flourished in recent years. The census showed U.S. meat goat numbers up 58 percent, from 1.2 million head in 1997 to 1.9 million head in 2002. The number of meat goats marketed nationally rose from just over 530,000 in 1997 to 1.1 million in 2002, an increase of 108 percent. The great news is that, even with all the growth recorded in Kentucky and throughout the U.S., slaughter kid prices have reached record highs in recent months, indicating demand for U.S. goat meat is still outstripping supply.

Fortunately for Kentucky producers, market outlets for meat goats continue to grow throughout the state. Kentucky currently has four established graded goat sales located in Bowling Green, Paintsville, Marion and Richmond, and two new sales gearing up in Horse Cave and Henry County. The Kentucky Goat and Sheep Tel-O-Auction is another opportunity for marketing meat kids with five delivery locations – Paris, Irvington, Lebanon, Glasgow and Mayfield – and a

new delivery site in the works for southeastern Kentucky. It seems more and more producers are recognizing the advantages of these graded programs as the number of goats sold at these sales is on the increase.

Kentucky's goat industry has accomplished great things in recent years, and we now have some numbers to document our accomplishments. This industry is growing rapidly. Markets are strong and appear to be holding steady. Farmers are gaining access to an increasing number of market outlets. It's an exciting time to be part of the fastest growing livestock industry in Kentucky. For goat marketing assistance contact me at 502-564-0290 ext. 226.



Animal ID is just around the corner!

By Warren Beeler

Animal Identification is just around the corner for livestock producers. It's simply a part of livestock farming in the 21st century, whether tracing back a disease problem or meeting the demand of consumers that require farm of origin labeling. Human nature always makes us a little fearful of change; however, in this case it must happen if beef is to maintain its market share and be ready to capture more.

The real question is not why but how animal ID can be used to benefit the industry to the greatest degree. Can you imagine a network from producer to consumer with data flow up and down the chain, with a wealth of information for producers to use to manage their genetic and management progress to fit the market? The gap between the trailer of feeder

cattle and the finished product has been like a huge black hole that was bridged by only a few that retained ownership through the feedlot. What if you could find out what age your calves were harvested, and at what weight? What were their quality and yield grades? This confidential information could be supplied on each calf you sell. The day will come when quality-based pricing will be the norm as it has been for several years in other species. Animal identification is a simple record-keeping tool that gives producers a name or tag number or tattoo of the calf from a bull and cow and a date it was born. Tracking that tag through the different owners will test today's technology, not to mention that we will probably exceed a million head just in Kentucky.

A hog farmer backed up to the stockyards and was met by the buyer. The

buyer said, "I'm sorry but your hogs only cut 40 percent lean, and I cannot buy them." The farmer was furious as he had another 500 hogs at home. The market demanded lean, and this farmer's hogs didn't fit at a time when buyers could pick and choose. Animal ID opens up an opportunity to gather data that can really help producers raise livestock that fit the market and compete for more of the meat dollar. Wal-Mart and McDonalds want beef labeled from the farm of origin. If the big guys want it, the industry will supply it, or the buyer will meet us at the trailer with the bad news. Animal ID is actually a blessing to the beef industry—a marketing tool as well as a way to protect the industry from mad cow disease or a terrorist incident. Animal ID is a good idea for Kentucky producers.

More At-Cost Items Available Soon

By Janet Eaton

Kentucky Proud baseball caps and tote bags will soon be added to the products offered through the KDA at-cost promotional items program. These two new items will join 5 x 7 price cards, two sizes of stickers and plant stakes sold “at cost” to producers to encourage them to display the “Kentucky Proud” logo.

The KDA has received many requests for the ball caps, which were bought in small numbers for a special promotional effort earlier this year. The cap is tan cloth with the “Kentucky Proud” logo embroidered on the front.

The tote bags are silk screened in three colors with “I shop for ... Kentucky Proud – Nothing Else is Close.” The bag measures 15” x 18” x 5” and has green handles. The bag is designed with space for personalizing by a farmers’ market or farm, if desired. Some producers and markets may want to buy a quantity of these items, have them silk screened with their name or the name of a sponsor, and resell them to customers or offer them as incentives.



The price for these new items is still being established but will probably be between \$5 and \$6, excluding postage.

The popular plastic shopping bags imprinted with the logo will be ordered very soon. The price continues to be very volatile due to fluctuating petroleum prices, but we are negotiating for the best possible price. All members of the “Kentucky Proud” logo program will be notified when they arrive. Producers who want these bags may wish to contact their Extension office as they can order

the bags from KDA and have them shipped through UK’s distribution system without postage costs – a savings of about \$5 per box.

You must be a registered member of the “Kentucky Proud” program to purchase most at-cost items, but the hats and tote bags will be made available to anyone. For more information on becoming a member of the “Kentucky Proud” campaign go to www.kyproud.com. For prices on at-cost merchandise promotional items call Janet Eaton at (502) 564-4983.

2004 Kentucky Dairy Summit

By Eunice Schlappi

Dairy farmers and industry representatives from across the state will discuss current issues pertaining to Kentucky’s dairy industry at the 2004 Kentucky Dairy Summit Nov. 18 at the Executive Inn West in Louisville.

Participants will discuss Kentucky’s animal identification program, a dairy stabilization bill that is proposed to be filed in the next legislative session, and Agriculture Development Board dairy initiatives. Other topics will be added to the agenda.

The meeting will begin at 10 a.m. EST with speaker presentations. Lunch will be served at the hotel at noon. Breakout roundtable discussions will follow in the late afternoon session. The summit will conclude with summaries of the roundtables, and there will be ample time for wrap-up discussions. The meeting will close at 4:30 p.m.

There is no charge for attending the Dairy Summit. However, reservations are necessary to assist in planning for lunch and meeting space. Reservations can be made by calling Eunice Schlappi, the Kentucky Department of Agriculture’s dairy marketing specialist, at (502) 564-4983.

The dairy summit is sponsored by the Kentucky Department of Agriculture, the Kentucky Milk Producers Association and the Governor’s Office of Agricultural Policy/Kentucky Agricultural Development Board.

New Directors Join KDA’s Marketing Division

Staff Report

Two directors took office last month in KDA’s Office of Agriculture Marketing and Product Promotion. Mac Stone will take over the Value-Added Plant Production division, and Anna Kindrick will direct the newly named Division of Agriculture Marketing and Agribusiness Recruitment, formerly known as the Division of Market Research.

Mac Stone was the farm manager for Kentucky State University before joining KDA. While at KSU, Stone transformed a working farm in Franklin County into a research and demonstration station. Under Stone’s guidance, the KSU farm established fruit, vegetable, greenhouse, livestock, aquaculture, apiculture and composting programs. Stone also helped start KSU’s Third Thursday sustainable agriculture workshop. Stone is president

of the Kentucky Sustainable Agriculture Community, vice president of Partners for Family Farms and a board member of the Organic Farming Research Foundation and the American Pastured Poultry Producers Association. Stone and his wife, Ann Bell Stone, also produce vegetables, tobacco, Angus cattle, organic beef and lamb, and organically raised poultry at Elmwood Stock Farm in Scott County. Stone has three daughters.

Anna Kindrick served as chief financial officer for Cumberland Farm Products before joining KDA. Kindrick also served on CFP’s executive and finance committee and was secretary/treasurer for the board of directors during her 33 years at CFP. She has been married 41 years and has two children and four grandchildren.

Cost-Share Programs Continue

Staff report

The Kentucky Department of Agriculture is currently taking applications for the horticulture advertising cost-share and market development cost-share programs. Applications are being accepted now through September 2005. Funding will apply for activities during the 2005 season, and reimbursement will take place quarterly beginning in March.

Successful applicants may receive a cost-share match of up to \$4,000 per calendar year for advertising and promotional purposes that promotes Kentucky-grown horticultural products. The market development cost-share awards up to \$1,500 for booth space and necessary items for trade shows, and \$750 for attending approved conferences to learn about marketing techniques and industry trends. For more information contact Kim Mullins at (502) 564-0290, ext. 267 or (502) 564-4983.

Sweet Sorghum Shows Potential for Niche Markets

By Bill Holleran

In Kentucky's early years more than 20,000 acres of sorghum was grown across the state because of our ideal location and climate. It was used mainly as a sweetener before sugar became widely available. Hancock County was the leading producer for many years with 100 growers. Kentucky and Tennessee still lead the country in syrup production. Today there are about 200 sorghum producers across Kentucky, and there is renewed interest in growing this crop as people consider alternatives to tobacco.

Sorghum is planted from mid-May to early June depending on the variety. It can be planted with a corn planter with the right seed plate, or it can be grown in float trays like tobacco and transplanted. Chemical costs are minimal since pesticides and fungicides are not typically used. "Choosing new high-yielding varieties with disease resistance like 'Dale' is important to having a good crop and can amount to a 50-75 gallon per-acre increase over older varieties. Farmers need to select the right variety, go watch somebody that knows what they are doing, and join the National Sweet Sorghum Producers and Processors Association," said Morris Bitzer, retired Extension specialist of green crops for the University of Kentucky. "Yields of 150-200 gallons per acre are not uncommon, and syrup can fetch \$7-8 per quart, which can make sorghum more profitable than tobacco on a per-acre basis."

The crop is raised like corn; then it's harvested by hand or with old-fashioned binders that tie the stalks in bundles. The stalks or "cane" is carried to a roller mill, where it's squeezed to extract the juice. The juice is allowed to settle for two or three hours before it's cooked in a batch pan or continuous flow evaporator and impurities are filtered out. Sorghum is very labor-intensive at harvesting and processing time, but more mechanization is coming along to make the process easier. Bitzer said the initial investment required can run from \$2,000-3,000 for processing equipment and supplies.

The challenge with niche products like sorghum is marketing. Fall festivals, direct marketing off the farm, and local grocers are good places to explore when trying to find a market. Larger sorghum producers have had some success getting their products in major super-



Morris Bitzer feeds cane into a mill to extract the juice at one of UK's field plots on Spindeltop farm.

markets, but most producers don't have the volume to meet supermarket demands. Producers that sell commercially also must be inspected, have an approved facility, and pay a \$75 licensing fee. Niche products like sorghum can be profitable, but the grower must be willing to accept more risk and assume more responsibility for marketing their products.

For more information about sweet sorghum, visit the National Sweet Sorghum Producers and Processors Association Web site at www.ca.uky.edu/nssppa. Additional information on sorghum production can be found on UK's new crop opportunities Web site at <http://www.uky.edu/Ag/NewCrops/>. Seed can be obtained by contacting Morris Bitzer at (859) 806-3358 or Danny Townsend at (859) 498-4142.

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